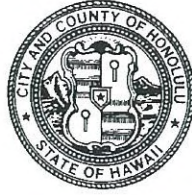


DEPARTMENT OF BUDGET AND FISCAL SERVICES
CITY AND COUNTY OF HONOLULU
530 SOUTH KING STREET, ROOM 208 • HONOLULU, HAWAII 96813
PHONE: (808) 768-3900 • FAX: (808) 768-3179 • INTERNET: www.honolulu.gov

KIRK CALDWELL
MAYOR



NELSON H. KOYANAGI, JR.
DIRECTOR DESIGNATE

GARY T. KUOKAWA
DEPUTY DIRECTOR

January 20, 2017

The Honorable Ron Menor
Chair and Presiding Officer
and Members
Honolulu City Council
530 South King Street, Room 202
Honolulu, Hawaii 96813

Dear Chair Menor and Councilmembers:

SUBJECT: Bill Raising Motor Vehicle Weight Tax Rates

Attached for your consideration for adoption is a Bill to raise the motor vehicle weight tax rates. The current rates are 5 cents per pound for passenger vehicles and trucks or noncommercial vehicles weighing 6,500 pounds or less, and 5.5 cents per pound for trucks, commercial vehicles and other vehicles designed for carrying property or for purposes other than carrying passengers. The bill proposes two increases of one cent per pound for each of the categories, effective as of January 1, 2018 and January 1, 2019. Each one-cent increase would raise an estimated \$25 million per year in revenue for the Highway Fund. For FY 18, the increase would raise about \$12.5 million because it would begin in the second half of the fiscal year.

The hardcopy and the DVD containing the proposed bill are attached. If you have any questions, please call me at 768-3901.

Sincerely,

A handwritten signature in black ink, appearing to read "Nelson H. Koyanagi, Jr.", is written over a horizontal line.

Nelson H. Koyanagi, Jr., Director Designate
Department of Budget and Fiscal Services

Attachment

APPROVED:

A handwritten signature in black ink, appearing to read "Roy K. Amemiya, Jr.", is written over a horizontal line.
Roy K. Amemiya, Jr.
Managing Director Designate

DEPT. COM. 46

RECEIVED
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A BILL FOR AN ORDINANCE

A BILL FOR AN ORDINANCE TO AMEND CHAPTER 41, ARTICLE 17 OF THE REVISED ORDINANCES OF HONOLULU, 1990, RELATING TO MOTOR VEHICLE WEIGHT TAX.

BE IT ORDAINED by the People of the City and County of Honolulu:

SECTION 1. Purpose. The purpose of this ordinance is to increase the motor vehicle weight tax.

SECTION 2. Section 41-17.1, Revised Ordinances of Honolulu 1990, is hereby amended to read as follows:

"Sec. 41-17.1 Vehicle weight tax.

- (a) The rate and the minimum tax at which all vehicles and motor vehicles shall be taxed as provided by HRS Section 249-2, as amended, shall be as provided in subsections (b), (c), (d) and (e).
- (b) Motor Vehicles Designed Primarily for the Purpose of Carrying Passengers. The rate for motor vehicles designed primarily for carrying passengers shall be:

<u>Cents per pound of vehicle</u> <u>net weight</u>
4.0
5.0
<u>6.0</u>
<u>7.0</u>

<u>Effective date</u>
January 1, 2010
January 1, 2011
<u>January 1, 2018</u>
<u>January 1, 2019</u>

This category shall include, but is not limited to, motor vehicles primarily designed to carry passengers, buses, ambulances and hearses.



A BILL FOR AN ORDINANCE

- (c) (1) Trucks or Noncommercial Motor Vehicles Having a Net Weight of 6,500 Pounds or Less. The rate for trucks and noncommercial motor vehicles having a net weight of 6,500 pounds or less and which are not being operated for compensation or commercial purposes shall be:

Cents per pound of vehicle

net weight

~~4.0~~

~~5.0~~

6.0

7.0

Effective date

~~January 1, 2010~~

~~January 1, 2011~~

January 1, 2018

January 1, 2019

The owner of such truck or noncommercial motor vehicle who desires to have such vehicle taxed at the rate provided in this subdivision shall comply with the requirements in subdivision (2).

- (2) For original registration under this category, the owner shall:
- (A) File an application with the director of finance for registration of a noncommercial motor vehicle;
 - (B) Register the vehicle under an individual's name, or if the vehicle is leased, provide proof that the vehicle is leased to an individual and not to a company; and
 - (C) Pay the applicable weight tax and registration fees.

When the vehicle is currently registered as a commercial vehicle and the owner wishes to reclassify the vehicle under this category, the owner shall, in addition to the above, also surrender the vehicle's current certificate of registration and license plates.



A BILL FOR AN ORDINANCE

When the owner has complied with the foregoing requirements, and has paid the applicable fees, the director of finance shall issue a set of passenger vehicle license plates, emblem and a new certificate of registration.

- (d) Trucks or Commercial Vehicles. The rate for trucks, commercial vehicles and other vehicles designed for carrying property or for purposes other than the carrying of passengers shall be:

Cents per pound of vehicle

net weight

~~4.5~~

~~5.5~~

6.5

7.5

Effective date

~~January 1, 2010~~

~~January 1, 2011~~

January 1, 2018

January 1, 2019

This category shall include, but is not limited to, trucks, truck tractors and road tractors, trailers and semi-trailers; provided, that trucks and noncommercial vehicles that qualify under subsection (c) are exempted from this category.

- (e) Minimum Tax. The minimum tax assessed and collected by reason of this section shall in no case be less than \$12.00."

SECTION 3. Ordinance material to be repealed is bracketed and stricken. New material is underscored. When revising, compiling, or printing this ordinance for inclusion in the Revised Ordinances of Honolulu, the revisor of ordinances need not include the brackets, the material that has been bracketed and stricken or the underscoring.



CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ORDINANCE _____

BILL _____

A BILL FOR AN ORDINANCE

SECTION 4. This ordinance shall take effect upon approval.

INTRODUCED BY:

DATE OF INTRODUCTION:

Honolulu, Hawaii

Councilmembers

APPROVED AS TO FORM AND LEGALITY:

Deputy Corporation Counsel

APPROVED this _____ day of _____, 20 _____.

Kirk Caldwell, Mayor
City and County of Honolulu